

## EFFECT OF CO-CREATION ON CUSTOMER EXPERIENCE, TRUST AND BRAND LOYALTY

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### ABSTRACT

#### *Purpose*

*Emerging economies are moving towards experience economies. Be it products or services, it is experience that matters most to the customers. Products have to be wrapped in the flashy wrapping of experience for the customers to prefer them. Earlier businesses used to function like traditional theatre, with organizations working on clearly defined roles and customers watching passively on paid tickets. But now, businesses seem to be like experiential theatres where everyone and anyone can take part. Customers don't want to be passive watchers but like to be active participants. The paper proposes a framework for effective customer participation in service industry. The purpose of this paper is to study the effect of customer participation through co-creation on customer experience, trust and brand loyalty.*

#### *Methodology*

*The paper validates the effects of customer participation on trust and brand loyalty mediated by customer experience dimensions using structural equation modelling.*

#### *Findings*

*The paper supports significant positive relationship between co-creation and customer experience dimensions. The paper also establishes positive relationship between co-creation, trust and brand loyalty mediated by customer experience dimensions.*

#### *Originality*

*The paper is an original contribution with data collected from Banking Industry.*

**KEYWORDS:** *Co-Creation, Customer Participation, Customer Experience, Trust and Brand Loyalty*

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## INTRODUCTION

Last decade has seen a significant growth in concern among consumers towards value they extract from products/ services. The progressive increase in consumer's value consciousness is the main reason behind application of co-creation in which customers participate in the development process. There are studies supporting the positive effect of co-creation on customer experience (Prahalad & Ramaswamy 2004a). But, there are very few researches quantifying the effect of co-creation on customer experience dimensions.

Co-creation is used as one of the strategies to effectively engage customers for better experience management. Co-creation can be defined as a way in which organizations can harness competencies of customers by involving them in organizational activities to create value, it is much more than just setting up a dialogue with

customers. Co-creation was originally defined in 1990s by Kambil et al. as co-creation of value by a firms customers. In this customer oriented way of marketing, value co-creation, characterized by joint creation of value by the company and the customer (Prahalad & Ramaswamy 2004b), stands out as the critical mechanism for competitive advantage.

Customer experience in the marketing literature is a well-researched area for decades (e.g. Holbrook & Hirschman 1982). Further, comprehensive contribution to this literature is presented by Brakus et al. (2009), which suggested brand experience framework as combination of sensory, affective, intellectual and behavioral dimensions of brand experiences and validated scales for measuring the strength of these five experience dimensions.

In emerging markets like India, customers are getting increasingly empowered because of enhanced access to information. With customer empowerment the value creation process chain which was confined only to firms is getting extended to outside firm as well. Perception of customers about the brand determines the success of a brand. The resource-based view of marketing, when applied to emerging economies, treat customers as one of the most important stakeholders and resource. From the mass production logic, companies are now graduating to service domain (SD) logic, where the organizations and marketers treat services as fundamental value of exchange. Sheth and Parvatiyar (2000) suggested that “an alternative paradigm of marketing is needed, a paradigm that can account for the continuous nature of relationships among marketing actors”. Work done by Lusch and Vargo (2004a) it highlights that “a service-centered view of exchange points to an opposing normative direction. It implies that, in SD logic the goal is to customize offerings to recognize that the consumer is always a co-producer and strive to maximize consumer involvement in the customization to better fit his or her needs”. Their work also quoted that service-centered view identifies operant resources, especially higher-order, core competencies, as the key to obtain competitive advantage. Taking the perspective of SD logic, companies need to realize the competency lying with customers and exploring it by the process of collaborating with them.

Some key performance indicators (KPI's) are used to determine success and failure of the new offering objectively. Most of the research work done have taken “customer satisfaction” as one of the key performance indicators. This work is based on the work done by Oliver (1977, 1980), which treats trust as one of the important antecedent of customer satisfaction and other literatures linking trust and brand loyalty.

## RESEARCH OBJECTIVES

Though academic researchers and business managers accept the importance of customer participation in co-creation process, but there is dearth of research quantifying the influence of customer participation in the desired performance of new service offer. The study tries to bridge the gap between academicians and managers and hence the performance indicators: trust and brand loyalty are taken as per industry perspective. The objectives of the research are:

- To understand influence of Co-creation on customer experience dimensions (Sensitive, Affective, Cognitive, Behavioral and Relational)
- To understand influence of Co-creation on trust that customer builds with the brand mediated by customer experience dimensions
- To understand influence of trust on brand loyalty that the customer establishes with the brand.

Due to the growing and competitive nature of the banking industry, major banking groups are constantly innovating to improve customer experience, trust and brand loyalty; and find out ways to capture customer preferences.

The banking industry was chosen to achieve the mentioned objectives because of the high level of innovation activity which lays foundation for 'Co-creation'.

### Conceptual Framework

Figure 1, illustrates the constructs and relationships studied in the research work. The framework represents customers' participation in co-creation process (Prahalad and Ramaswamy 2004b, p. 8), Ramaswamy (2011)) is proposed to stimulate brand experience with the organization which mediates to influence trust and brand loyalty. In many ways, the model is mirroring the conceptual model presented by Hollebeek (2011b), suggesting that customer involvement influences customer-brand engagement, which has an effect on trust factor of relationship quality, and which effects Brand loyalty.

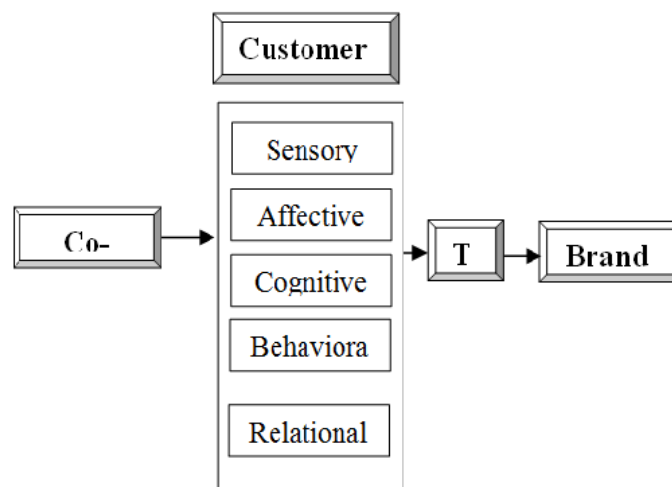
It is evident from available literature on co-creation, that the co-creation process is beneficial for both customers and the organizations. Prahalad and Ramaswamy (2004b, p. 8) highlights 'joint creation of value by the company and the customer' as the essential element of co-creation, including 'joint problem definition and problem solving' (p. 8). Co-creation is further specified as 'the process by which mutual value is expanded together' (Ramaswamy 2011, p. 195). Adding to the holistic perspective, Vargo and Lusch (2008), suggests on value in use, companies can only provide a value proposition to customers and that customers' co-creation is necessary for value to be realized. Taking a narrow approach, and also a market research oriented approach, Fuller et al. (2010) discussed co-creation as customers' participation in product development. Existing studies have proved that it is very important to involve customers in the development process to understand their needs. Higher involvement of customers reap higher benefits, even then customer involvement in development process has found to be relatively low (Martin and Horne, 1995). Edvardsson and Olson (1996) made a number of important observations with regards to the customer's role in value creation process.

Marketers are striving to establish customer-brand relationship, where they are trying to stage dialogue and experience at the brand level itself. Offerings to the end consumer should not become "feature rich" and "experience poor" or "feature poor" and "experience rich", so companies are adopting co-creation process. Literature on co-creation broadly defines it as creation of value by customers, which can be further defined as two ways of collaborating with customers: Sponsored Co-creation and Autonomous Co-creation. In autonomous co-creation, creation of value is independent of organizations and is largely a customer driven process. However in sponsored co-creation, organizations create an environment to interact with customer and facilitate the whole co-creation process, it is an organization driven process. This project would focus on sponsored co-creation process. An entrepreneur from Israel, realized the importance of experience in emerging economy and opened a make believe café "Café Keiln." He realized that his customers don't come to café for coffee, but they come to meet people and to be seen. Café logically pursued this and included in its menu option of empty plates & mugs at a charge of \$3 on weekdays and \$6 on weekends.

The proposed framework is based on Brakus *et al.* (2009) four dimensions of brand experiences: sensory, affective, intellectual and behavioral. The sensory dimension highlights the degree to which a brand appeals to consumers' senses and whether the brand makes strong and interesting impressions on consumers' senses. The affective dimension highlights how strongly the brand induces feelings and emotions among consumers. The intellectual (or cognitive) dimension is related to the degree to which a brand stimulates consumers' curiosity, thinking and problem solving. Their final dimension *relates* to how strongly the brand is able to engage consumers in physical activities - the behavioral dimension. In addition, a relational (Nysveen *et al.* 2012) or social (Dirsehan & İelik 2011) dimension has supplemented these four dimensions (Nysveen *et al.* 2013). Given the relational character of co-creation, this seems to be a relevant

additional dimension to include when discussing the influence of co-creation on brand experience.

Morgan and Hunt (1994) highlight strong positive relationship between trust and commitment. Kumar and Advani (2005) establishes positive relationship between trust and brand loyalty. Sirdeshmukh et al. (2002) defines two dimensions of trust formed due to frontline employees and management policies. Their work also establishes a positive relationship between two dimensions of trust and loyalty. Matzler et al. (2006) quotes “Brands make the customers ‘happy’, ‘joyful’ or ‘affectionate’ cause a stronger attitudinal commitment and purchase loyalty”. Previous researches have analyzed loyalty as composite of two dimensions: purchase loyalty and attitudinal loyalty. But, in this research work we have combined the two dimensions and analyzed them as a single measure of overall brand loyalty (Jacoby and Chestnut, 1978). Please refer to figure 1 below for conceptual framework of the paper.



**Figure 1: Proposed Framework: Co-Creation Staging Customer Experience**

## HYPOTHESES

The sensory dimension highlights the degree to which a brand appeals to consumers' senses and whether the brand makes strong and interesting impressions on consumers' senses. To create positive sensory brand experiences, co-creation participation needs to stimulate consumers' senses in interesting and preferably appealing ways, and engage customers with the brand. Customer-brand engagement is created in specific interactions between a customer and a brand (Hollebeek 2011a), and co-creation builds the environment for interaction. Consequently, the design of co-creation systems (Kohler *et al.* 2011) provides brands with stimulating sensory brand experiences. Systems used for adopting co-creation play a significant role in arousing sensory benefits on participants. Therefore,

### **H1: Co-Creation has a Positive Influence on the Strength of Sensory Dimension of Customer Experiences**

The affective dimension highlights how strongly the brand induces feelings and emotions among consumers. Hedonic values such as enjoyment, fun and pleasure are important emotional motives for co-creation (Nambisan & Baron 2007, 2009). Brand engagement includes emotional investments in specific brand interactions (Hollebeek 2011a). As such, emotional values are aroused through co-creation process; customers participating in co-creation will feel more associated with the brand (Patterson *et al.* 2006, cited in Brodie *et al.* 2011a). Co-creation creates engagement level which brings a sense of belongingness towards the brand. This engagement benefit is the key reason for strengthening affective customer experience with the brand. Therefore,

**H2: Co-Creation has a Positive influence On the Strength of Affective Dimension of Customer Experiences**

The intellectual (or cognitive) dimension is related to the degree to which a brand stimulates consumers' curiosity, thinking and problem solving. Cognitive stimulations such as learning and understanding of product-related solutions are important motives of customer participation in development process (Nambisan & Baron 2007, 2009). Hollebeek (2011a) points to the importance of the cognitive dimension of customer-brand engagement. Customer participation creates higher level of concentration as well as attention to details on an engagement object (Patterson *et al.* 2006, Brodie *et al.* 2011a). Therefore,

**H3: Co-Creation has a Positive Influence on the Strength of Cognitive Dimension of Customer Experiences**

Co-creation is considered as a joint activity among customers and the brand, implicitly including some level of activity and behaviour. Relating to the definition of customer-brand engagement, Hollebeek (2011a) suggests behavioural investment in specific brand interactions is an important dimension of customer-brand engagement. Vigour and interaction is seen as the level of energy consumers put into the dialogue and interaction with the engagement object (Patterson *et al.* 2006, Brodie *et al.* 2011a). Co-creation activities links back to behavioural brand engagement that constitutes the basis for behavioural brand experiences. Therefore,

**H4: Co-Creation has a Positive Influence on the Strength of Behavioral Dimension of Customer Experiences**

Social integrative elements are revealed as critical elements of consumers' participation in co-creation process (Nambisan & Baron 2007, 2009). Enthusiasm and commitment with which customer participation takes place in co-creation process, reflects consumers' feeling of belongingness with the engagement object (Patterson *et al.* 2006, Brodie *et al.* 2011a). Engaging customers in co-creation process builds a long term customer-firm relationship. Therefore,

**H5: Co-Creation has a Positive Influence on the Strength of Relational Dimension of Customer Experiences**

Co-creation process aims that the new service fits well with existing image, products and overall strategy of the firm. Customers find it easy to relate and use the service which is such a close fit with existing image and strategy of the firm. Thus, a new service launched through co-creation and high on customer experience builds trust. Co-creation aims that the new service development follows a formal development process backed by formal appointed team which includes customers and customer service team so that new offer caters to customer needs. Thus, a new service launched through co-creation and customer experience management is of higher quality and offer better attributes to build customer trust. Therefore,

**H6: Co-Creation Creates Positive Influence on Trust that Customer Builds with the Brand**

Brakus *et al.* (2009) argues that consumers want to repeat pleasurable experiences, and positive brand experiences therefore co-creation influences brand loyalty positively. Oliver (1999) also discusses the potential importance of social alliances and to be 'one with a group' as a motivation to become loyal. The customer engagement platform being created in the co-creation process brings in a sense of ownership in customers and so they start recommending the brand to others. Previous studies suggests that along with antecedents such as satisfaction and customer experience (Iglesias *et al.*, 2011), brand trust and brand affect are also positively related to commitment and loyalty. Therefore,

## **H7: Trust Creates Positive Influence on Brand Loyalty that the Customer Establishes with the Brand**

### **METHODOLOGY**

#### **Sample**

In this study data is gathered from customers using advisory banking services in India. Banking industry in India is going to be the fifth largest banking industry in the world by 2020 and the third largest by 2025 according to KPMG-CII report. The Indian banking industry is worth more than Rs. 81 trillion and making use of the latest technologies like mobile devices and internet to reach to the wider set of audiences. Social media platforms like Facebook etc. are also optimally utilized by players in banking industry to attract customers. September, 2013, witnessed launch of Facebook bill payment option and 'pockets' funds transfer option by ICICI Bank. According to PWC's, Global digital bank survey (24 April, 2014) there are more initiatives required in the banking sector to improve customer interaction and to create an Omni channel experience.

Responses were collected from banking services as their offerings are characterized by "inseparability" and "heterogeneity" nature and organizations work with customers in service delivery process. Researchers have noticed a surprisingly high number of banking services originally stemming from user/client innovation (Oliveira & von Hippel 2011). PwC's Financial Services Technology Leader, Julien Courbe, says "We're heading into the co-creation phase, where consumers help develop the personalized products and services they want. The ultimate goal is to establish communities of individuals, stakeholders and enterprises working together to produce value through engagement platforms designed to enable mutual collaboration." Thus, banking services represented a relevant platform for empirical validation of the framework.

#### **Data Collection**

Customers were invited by email to participate in the online survey. Those of the invited members who wanted to participate clicked on the link to the questionnaire and the following introduction was given:

This study is about Indian consumer banking market. Banks offer services like payment services, loans, savings and investment services, online banking, phone banking, and consultancy services.

Please find below list of eight well known banks in the consumer banking market. In the start of the data collection process respondents were asked to mention with which of these banking services they have a relationship:

The Name of the Banks mentioned in the survey were:

- ICICI Bank
- HDFC Bank
- Axis Bank
- State Bank of India
- Standard Chartered Bank
- HSBC Bank
- Kotak Mahindra Bank

- ING Vysya Bank

The respondents then marked the bank or the banks which they uses for banking services. The respondents who marked only one bank brand were asked to relate their answers to this brand in the survey. For respondents who marked two or more brands, one of the brands was selected by a sampling procedure, ensuring that the distribution of respondents relating to the individual brands of the survey reflected the market share of these banks. Consequently, respondents related their answers in the questionnaire to the selected banks, and all respondents had an established customer relationship with this brand. Structured questionnaire was used, with initial questions on customer experience, followed by question on trust and brand loyalty. To avoid sensitization, items measuring co-creation were introduced at the end of the questionnaire.

### Sample

Age, gender, household income, education and some other consumer-related variables were used as controlling variable, to ensure that each sample reflects this representativeness. An e-mail was sent to 1500 banking customers as an invitation to participate in the survey. Among the invited panel members, 531 (36%) started to answer the questionnaire and 362 completed it. A completion rate of 24.1 % of the number of invitations sent out is higher than normal response rate. To minimize careless responses, respondents with a completion time shorter than 300 seconds were removed from the final sample. The final number of respondents was 346. Sample characteristics are presented in Table 1:

**Table 1: Sample Characteristics of the study**

<b>Gender</b>	
Male	52.8 %
Female	47.2 %
<b>Age</b>	
15-24	7 %
25-34	17%
35-44	34%
45-54	18%
55-64	15%
65 & Above	10%
<b>Education</b>	
Primary	4%
Secondary	11%
Graduation	58%
Masters	27%

### Reliability, Validity and Data Sufficiency

To test the validity of the instrument, a pilot study was conducted on 75 participants between the months of February, 2015 to December, 2015. Based on their responses collected, validity tests like Cronbach alpha was done to check for the validity, reliability and usability of the instrument. Based on the previous statistical studies if the value of cronbach's alpha is greater than 0.7 the instrument is considered reliable. The value of cronbach's alpha for the study is mentioned in below Table 2.

**Table 2: Cronbach's Alpha Test**

Construct Name	Cronbach's Alpha	Number of Items	Number of Items Deleted
Sensory	0.97	3	Nil
Affective	0.96	3	Nil
Cognitive	0.94	3	Nil
Behavioural	0.93	3	Nil
Relational	0.94	3	Nil
Co-creation	0.93	6	Nil
Trust	0.89	3	Nil
Brand Loyalty	0.95	3	Nil

Since all the values Cronbach's alpha are greater than 0.70 the instrument is considered reliable for the analysis.

Post pilot study highlighting validity and reliability of data collection instrument, data was collected for the main study. There are two types of factor analysis exploratory factor analysis and confirmatory factor analysis, this study uses confirmatory factor analysis. Before conducting CFA it is important to check for data sufficiency. It is first important to conform that the data and variables are suitable for analysis; KMO statistics and Bartlett's test of sphericity were used for the same. The result for KMO and Bartlett's test conducted for this study is stated below in Table 3.

**Table 3: KMO and Bartlett's Test of Sphericity**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.96
Bartlett's Test of Sphericity	Approx. Chi-Square	5012.73
	Df	66
	Sig.	.000

The Bartlett's test is significant, so the data meets this assumption. The result for KMO measure conducted for this study is .960, so the data meets this assumption.

### Construct Measures

The study uses regression analysis and structural equation modeling to test the hypotheses and validate the framework. Most of the measures in the study were based on previously validated measurement scales and were pre-tested. All items were measured on 7-point likert scale ranging from 1=strongly disagree to 7=strongly agree. Following table 4 represents item wordings used in the questionnaire to gather data regarding the constructs of the framework of the study. The table also represents factor loading for each item and values from confirmatory factor analysis:

**Table 4: Measurement Constructs, Loadings, Cronbach's Alpha, Construct Reliability (CR) and Average Variance Extracted (AVE)**

Dimensions	Items	Loadings	Cronbach's Alpha	CR	AVE
Sensory	Bank makes a strong impression on my senses	.91	.82	.92	.89
	Being a customer of Bank gives me interesting sensory experiences	.89			
	Bank appeals strongly to my senses	.91			
Affective	Bank induces my feelings	.93	.87	.91	.87
	I have strong emotions for Bank	.82			
	Bank often strongly engages me	.87			



Dimensions	Items	Loadings	Cronbach's Alpha	CR	AVE
	emotionally				
Cognitive	I engage in a lot of thinking as a customer of Bank	.89	.94	.93	.94
	Being a customer of Bank stimulates my thinking and problem solving	.91			
	Bank often challenges my way of thinking	.92			
Behavioral	I often engage in action and behaviour when I use Bank's services	.96	.88	.91	.92
	As a customer of Bank I am rarely passive	.88			
	Bank activates me	.87			
Relational	As customer of Bank I feel like I am part of a community	.91	.92	.95	.91
	I feel like I am part of the Bank family	.91			
	As a customer of Bank I never feel being left alone	.9			
Co-creation	I often express my personal needs to Bank	.93	.89	.89	.94
	I often suggest how bank can improve its services	.89			
	I participate in decisions about how bank offers its services	.78			
	I often find solutions to my problems together with Bank	.82			
	I am actively involved when Bank develops new solutions for me	.89			
	Bank encourages customers to create solutions together	.80			
Trust	The integrity of my Bank	.94	.91	.89	.94
	Expertise in financial services at my bank	.92			
	My bank is always concerned with the wellbeing of its customers	.89			
Customer Loyalty	My bank remains my first choice	.91	.92	.89	.92
	I still do business with my Bank	.94			
	I recommend the bank to the people in my surrounding	.92			

Confirmatory factor analysis of the measurement model of the independent, mediating and dependent variables showed reasonably good fit ( $\chi^2/df = 6.93$ , CFI = 0.93, RMSEA = 0.079), and factor loadings for all items are shown in Table 4.

## Major Results

The test of the structural model provided strong support for the following hypotheses

**H1:** Co-creation has a positive influence on the strength of sensory dimension of customer experiences (t-value= 8.08)

**H2:** Co-creation has a positive influence on the strength of affective dimension of customer experiences (t-value=10.43)

**H3:** Co-creation has a positive influence on the strength of cognitive dimension of customer experiences (t-

value=9.29)

**H4:** Co-creation has a positive influence on the strength of behavioral dimension of customer experiences (t-value=9.08)

**H5:** Co-creation has a positive influence on the strength of relational dimension of customer experiences (t-value=3.7)

**H6:** Co-creation creates positive influence on trust that customer builds with the brand (t-value=6.948)

**H7:** Trust creates positive influence on brand loyalty that the customer establishes with the brand (t-value=16.363)

Table 5 below summarizes test result of assessment of research hypotheses

**Table 5: Assessment of Research Hypotheses**

Hypothesis	Standardized Regression Weights	Standard Error	T - Value	Assessment
H1: Co-creation has a positive influence on the strength of sensory customer experiences.	0.62	0.06	8.08(***)	+ Supported
H2: Co-creation has a positive influence on the strength of affective customer experiences.	0.719	0.08	10.43(***)	+ Supported
H3: Co-creation has a positive influence on the strength of cognitive customer experiences.	0.67	0.06	9.29 (***)	+ Supported
H4: Co-creation has a positive influence on the strength of behavioral customer experiences.	0.62	0.04	9.08(***)	+ Supported
H5: Co-creation has a positive influence on the strength of relational customer experiences.	1.45	0.2	3.76(***)	+ Supported
H6: Co-creation creates positive influence on trust that customer builds with the brand	0.77	0.07	6.94(***)	+ Supported
H7: Trust creates positive influence on the brand loyalty that the customer establishes with the brand	0.65	0.04	16.36(***)	+ Supported

Hypotheses were tested with structural equations modelling using AMOS 20. We estimated a structural model investigating the relationship between co-creation and the five brand experience dimensions. The model also included relationships between all brand experience dimensions, trust and brand loyalty.

As expected from the measurement model fit results, the structural model also showed good fit. Co-creation has a significant positive influence on all of the five brand experience dimensions, supporting H1-H5, and indicating that co-creation stimulates strong experiences along all five dimensions. Influence of co-creation on trust and positive relationship between trust and brand loyalty was also strongly significant, support Hypotheses H6 and H7.

Our results show that co-creation has a significant positive influence on all five brand experience dimensions. This implies that engaging in co-creation process is an activity which strengthens the customer experience with the organization. When looking into the influence of the brand experience dimensions on trust and brand loyalty, the implications are positive and significant. Co-creation can take place at various stages of a relationship between customers and brands - from ideation to usage (Fuller *et al.* 2010; Zwass 2010). Also, Payne *et al.* (2008) look at co-creation as a process involving many types of activity. This study has looked at how co-creation as a general construct can influence

brand experience.

### **Managerial Implications and Scope for Future Research**

The paper has not looked at the specific activities practiced in banks to adopt co-creation and the influence of these activities. Future research can focus on understanding the effect of specific activities on experience management. A comparative study for framework validation can also be conducted between private sector banks and public sector banks in India.

Many service firms believe on innovation strategies to sustain competitions as well as build competitive advantage. This study provides a model for customer participation in co-creation process that enhances desired performance outcomes by impacting customer experience dimensions. Desired new service performance outcome improves when customer participation in the co-creation process positively affects customer experience dimensions. The findings provide a framework for effective customer participation in the new service innovation process.

Managers working in banking industry accept the importance of product and process innovation for attracting customers and bringing sustainable competitive advantage to the organizations. The results of this study provide valuable insights to service managers seeking to progress on their capacity to successfully run service offerings. From a manager's point-of-view, findings from this study suggest that managers need to make conscious decision about co-creating new services, as it is an effective way to increase service performance. Specifically, results of the study highlight that customer participation influences customer experience dimensions, which in turn lead to greater trust and brand loyalty. Managers should be conscious that in the service industry it is relatively easy to copy products.

### **Limitations and Scope of Future Research**

One of the limitations of the study is the relatively small sample size, which prevented SEM structural model analysis with more than two multi-group analysis. Also, the study is based on data gathered from banking in India. It did not draw responses from other services sectors which are also high on innovation like Education, Health care, Air lines and Telecommunications. This provides scope for conducting future research with larger samples drawn from diverse sectors from both India as well as globally.

The study found that it is not only important to just involve the customers in the development process, their participation must directly improve customer experience dimensions otherwise the expected success may not be achieved. The final model of NSD process provides wide scope of future research. Data from banking industry is used to establish strong credibility of the framework. The framework can further be tested using data from other industries. Future research should focus of finding relative strength of above mentioned customer experience dimensions on performance indicators.

### **CONCLUSIONS**

Future research should also identify possible moderators of the model relationships, such as age of organization, investment done for co-creation etc. Future research could explore the role of the entrepreneurial leader in creating an environment for co-creation. Also, data from sectors which are not purely services and purely services should be used to conduct a comparative validation of framework.

Below mentioned are some interesting questions which I would like to raise, which provides great scope for future research:

- Does intensity of co-creation vary across firms?
- Why are some consumers more willing and able to engage in co-creation? What is the relative impact of demographic factors in driving consumer co-creation?
- How to design the metrics to quantify various benefits of the co-creation process and its desired outcomes?
- How firms can firms' incentivize customers to encourage them to be better engaged in the process of co-creation?

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